

# Do I Need Long Term Care Insurance?



Senior Health Insurance  
Information Program

## Ask SHIIP

Doris Higgins  
Regional Program Manager

**Q:** My insurance agent is offering to sell me long-term care insurance. Do I need it?

**A:** Only you can decide whether or not you need, or want, long-term care insurance.

Here are some things to consider:

**Age:** The longer you live; the more likely you are to need long-term care.

**Gender:** Women are more likely to need long-term care. Approximately 85% of nursing home residents are women.

**Health:** Your family health history, individual health, and lifestyle factors will influence your need for long-term care.

**Affordability:** Buying a long-term care policy should not cause a hardship or alter one's lifestyle. A policy that does not match your financial situation or your long-term care needs is never a good deal regardless of the price.

**Caregivers:** If you needed help at home, who would be available and willing? Would your family be able to provide for you physically or financially? How would you feel about living with your adult children or others? Elders who live alone are more likely to enter a nursing home.

**Type of Care:** When most people think of long-term care insurance, they think only of nursing homes. Long-term care policies can now cover a host of services including home care, respite care, adult day care and nursing home care. Have you thought about the types of care you might need?

**Cost:** Currently (2003) the average cost of a nursing home stay in Indiana is over \$44,000 a year. To pay for 3 visits a week by a Home Health Care Nurse you would need at least \$14,000 a year. A Home Health Care Aide for 8 hours a day five days a week would cost \$15,000 a year.

Many people think Medicare will cover their long-term care needs. Medicare only covers long-term care in a nursing facility or at home when skilled care is needed. Medicare pays less than 2% of total national nursing home bills. 90% of seniors without long-term care insurance use

up their resources (assets) within one year of entering a nursing home. Most must then rely on Medicaid as their safety net.

**Other health insurance:** Check your individual health care plans, retirement and/or group health plans, veteran's benefits, etc. for any long-term care benefits. You may not need additional insurance.

Assessing your need for long-term care insurance is no simple matter. To help you ask the right questions and make the best decision for your situation, SHIIP (1-800-452-4800 ext. 2) offers a free packet of long-term care information. It includes a self-assessment guide and a list of companies licensed to sell long-term care insurance. It also contains information on the Indiana Long Term Care Insurance Partnership Program, which would allow you to protect assets in the event that you apply for Medicaid. After looking through the packet you can follow up by discussing your needs with your insurance agent (we suggest you talk to several) and your local SHIIP volunteers.

### Address your questions to:

Ask SHIIP  
311 W. Washington Street  
Ste. 300  
Indianapolis, IN 46204  
Or [www.in.gov/idoi/shiip](http://www.in.gov/idoi/shiip)

To receive a free packet of information about long-term care insurance call: 1-800-452-4800 ext. 2

SHIIP is a free, unbiased counseling program provided by the Indiana State Department of Insurance. For assistance, call your local SHIIP site to make an appointment or call the state office at 1-800-452-4800 to obtain a list of local SHIIP sites.